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Programme and Budget Committee

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Item 5 of the provisional agenda

FINANCIAL SITUATION OF UNIDO

Losses related to small catering items

Note by the Secretariat

Summary

Provides information on losses related to catering items for the years 1992 and 1993. In accordance with financial rule 109.15 (a), requests approval for the write-off of those losses.

1. During the 1992-1993 biennium, the Property Survey Board was presented with four submissions covering losses of small catering items, resulting in the following total losses for those years:

Year	Total losses	Annual turnover	Losses as % of annual turnover
	(In Austrian schillings)		
1992	626,977 (of which 184,770 breakage)	60,374,934	1.04
1993	847,957 (of which 213,558 breakage)	66,110,049	1.29

2. The above figures may be compared with the normally acceptable margin of loss in a private restaurant business of 3 to 5 per cent of annual turnover. It should be noted that the purchases of such items are funded from proceeds from the VIC Catering Service.

ACTION REQUIRED OF THE COMMITTEE

3. In order to comply with financial rule 109.15 (a), which requires the prior approval of the Board upon the recommendation of the Programme and Budget Committee for the writing-off of a loss exceeding the amount of $15,000, the Programme and Budget Committee may wish to consider recommending to the Board the adoption of the following draft decision:

"The Industrial Development Board, upon recommendation of the Programme and Budget Committee:

"(a) Takes note of the report of the Director-General concerning losses of catering items (PBC.10/3-IDB.13/2);

"(b) Approves, in accordance with financial rule 109.15 (a), the write-off of losses related to small items of the VIC Catering Service in the amounts described in paragraph 1 of document PBC.10/3-IDB.13/2."

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